5. (Amended) The method of claim 1, wherein the image is scanned line by Sline, and the correction term is hull for a first pixel of each line.

(Amended) A method of compressing a digital image having pixels each with a color represented by a color code, the method comprising:

selecting for a current one of the pixels of the digital image, one of a plurality of weighting coefficients based on a position of the current pixel;

computing a sum of a correction term and a color code of the current pixel, the correction term being equal to an error value computed for a previous single one of the pixels multiplied by the selected weighting coefficient for the current pixel;

selecting for the current pixel an estimated color from a plurality of estimated colors, the selected estimated color being an estimated color that most closely matches the computed sum; and

replacing the color code of the current pixel with the selected estimated color.

15. (Amended) A method of compressing a digital image having pixels each with a color represented by a color code, the method comprising:

assigning a first variable correction coefficient to each pixel of a first group of pixels in the digital image, the first correction coefficient being based on a position of its corresponding pixel;

assigning a variable second correction coefficient to each pixel of a second group of pixels in the digital image, the second correction coefficient being based on a position of its corresponding pixel;

for each of the pixels of the first group, selecting an estimated color of a plurality of estimated colors, the selected estimated color being selected based on the color of the pixel and the first correction coefficient; and

for each of the pixels of the second group, selecting an estimated color of the plurality of estimated colors, the selected estimated color for the pixel being selected based on the color of the pixel and the second correction coefficient.

SUB-BIT